

DIRECT TESTIMONY AND EXHIBITS OF**DANIEL P. HUNNELL II****ON BEHALF OF****THE SOUTH CAROLINA OFFICE OF REGULATORY STAFF****DOCKET NO. 2021-153-S**

1 **Q. PLEASE STATE YOUR NAME, BUSINESS ADDRESS, AND OCCUPATION.**

2 A. My name is Daniel P. Hunnell II. My business address is 1401 Main Street, Suite
3 900, Columbia, South Carolina 29201. I am employed by the South Carolina Office of
4 Regulatory Staff (“ORS”) in the Water Operations Department as a Senior Regulatory
5 Analyst.

6 **Q. PLEASE STATE YOUR EDUCATIONAL BACKGROUND AND EXPERIENCE.**

7 A. I am a graduate of DeVry University of Columbus, Ohio, with a bachelor’s degree
8 in Business Operations. I completed the continuing education program sponsored by the
9 National Association of Regulatory Utility Commissioners (“NARUC”) and Michigan
10 State University and the Advanced Regulatory Studies Program sponsored by the Institute
11 of Public Utilities and Michigan State University.

12 I began my career in the utility industry in 1995 when I joined Pennsylvania
13 American Water Company (“PAWC”), a subsidiary of American Water Works Company
14 Inc., as a Collection and Billing Representative. In 1999, I participated on a project team,
15 which facilitated the implementation of a new customer information software program. In
16 2000, I was promoted to Billing Supervisor. In this position, I managed a team of
17 employees that conducted the customer billing and billing-related functions for the eastern
18 districts of PAWC (approximately 300,000 customer accounts). In 2001, I was promoted

1 to the Compliance Department as a Compliance Specialist. In this position, I acted as a
2 point of contact for the Pennsylvania Public Utility Commission's Bureau of Consumer
3 Services ("BCS"). In this position I prepared and presented written and oral responses to
4 informal complaints filed with the BCS. I assisted in establishing and maintaining company
5 policies and procedures to ensure compliance with 52 PA Code, Chapters 14, 56 and 65. I
6 participated in negotiating settlement of both informal and formal complaints and testified
7 as the PAWC witness in multiple formal complaint hearings. In 2008, I was transferred
8 to the American Water Service Company, Inc. ("Service Company") and I was assigned to
9 the rates and regulation function and promoted to Financial Analyst II. In 2014, I was
10 promoted to a Financial Analyst III, and, in 2016, I was promoted to a Principal Regulatory
11 Analyst. In these three positions with the Service Company, I was charged with the end-
12 to-end preparation and development of pro forma adjustments and preparation of analyses
13 to support operational and state business partners across seven states to file base rate cases,
14 alternative regulatory mechanisms, and other regulatory filings which included ensuring
15 the financial support for each filing was complete and accurate. In December 2019, I joined
16 the ORS.

17 **Q. HAVE YOU PREVIOUSLY TESTIFIED BEFORE THE PUBLIC SERVICE**
18 **COMMISSION OF SOUTH CAROLINA ("COMMISSION")?**

19 **A.** Yes. In addition, I have sponsored testimony in multiple base rate cases on behalf
20 of PAWC and West Virginia American Water Company. I have also prepared or assisted
21 in the preparation of rate and rate-related applications presented to the Maryland Public
22 Service Commission, the Virginia State Corporation Commission, the Kentucky Public

Service Commission, the New Jersey Board of Public Utilities, and the New York Department of Public Service.

Q. WHAT IS THE MISSION OF ORS?

A. ORS represents the public interest as defined by the South Carolina General Assembly in S.C. Code Ann. § 58-4-10 as:

[T]he concerns of the using and consuming public with respect to public utility services, regardless of the class of customer, and preservation of continued investment in and maintenance of utility facilities so as to provide reliable and high-quality utility services.

Q. WHAT IS THE PURPOSE OF YOUR DIRECT TESTIMONY IN THIS PROCEEDING AND HOW DOES YOUR DIRECT TESTIMONY REPRESENT THE PUBLIC INTEREST?

A. The purpose of my Direct Testimony is to set forth ORS's findings and recommendations resulting from ORS's examination of the rate increase application ("Application") submitted by Palmetto Wastewater Reclamation, Inc. ("PWR" or "Company"). By discussing ORS's examination of the following items my testimony promotes the public interest. Specifically, I will focus on the following areas:

- PWR's compliance with the Commission rules and regulations;
- PWR's compliance with the South Carolina Department of Health and Environmental Control ("DHEC") rules and regulations;
- PWR's operational changes after the acquisition by a subsidiary of SouthWest Water Company ("SWWC") was completed in September 2020;
- ORS's adjustments to revenues;

- ORS's review of the Company's request to increase the tampering charge from a maximum of \$250 to a maximum of \$500.

Q. ARE THE FINDINGS OF YOUR REVIEW CONTAINED IN THIS TESTIMONY AND ACCOMPANYING EXHIBITS?

A. Yes. My testimony and the attached exhibits detail ORS's findings and recommendations.

Q. WAS THE REVIEW PERFORMED BY YOU OR UNDER YOUR SUPERVISION?

A. Yes. The review to which I testify was performed by me or under my supervision.

Q. PLEASE EXPLAIN HOW YOU COMPILED INFORMATION FOR YOUR TESTIMONY AND EXHIBITS.

A. In my review, I used information provided by PWR in its Application, supplementary data provided by the Company in response to ORS discovery and additional information provided by PWR during our business office compliance review and facility site inspections. I also reviewed PWR's financial statements and performance bond documents submitted to the Commission.

Q. PLEASE PROVIDE AN OVERVIEW OF THE LOCATIONS, SERVICE TYPES, AND CUSTOMERS SERVED BY PWR.

A. PWR is a public utility providing wastewater collection and treatment services to customers in Lexington and Richland counties. PWR's operations are classified by NARUC as a Class A wastewater utility according to sewer revenues reported on its Application for the test year ending December 31, 2020 ("Test Year"). As of the end of the Test Year, PWR provided sewer collection and treatment services to 1,680 residential, mobile home, commercial and multi-family customers. At the end of August 2021, PWR

provided service to 1,744 residential, mobile home, commercial and multi-family customers.¹

Q. PLEASE EXPLAIN THE CORPORATE STRUCTURE OF PWR.

A. PWR is a Delaware corporation in good standing with the South Carolina Secretary of State that is authorized to conduct business in South Carolina. PWR is a wholly-owned subsidiary of Ni South Carolina, Inc., which is a subsidiary of South Carolina Utility Systems, Inc. (“SCUS”), which is subsidiary of Southeast Utility Systems, Inc. which is a subsidiary of SWWC, a Delaware limited liability corporation.

Q. PLEASE EXPLAIN THE BUSINESS OFFICE COMPLIANCE REVIEW.

A. Exhibit DPH-1 provides a summary of the ORS Business Office Compliance Review completed by ORS and a summary of the sewer collection and treatment systems inspected by ORS on September 14, 2021. During the Business Office Compliance Review, ORS’s Consumer Services Division identified that ORS received one (1) billing related customer complaint during the Test Year. In addition, ORS reviewed PWR’s records to determine compliance with Commission rules and regulations. ORS found that PWR is in compliance with all Commission requirements.

During ORS’s site inspection, the sewer collection and treatment system operated adequately. In addition, the Company’s records indicate that the collection system did not experience substantial inflow and infiltration during the Test Year. ORS visited the Alpine/Stoops Creek Wastewater Treatment Plant (“Stoops Creek”) and the Woodland Hill Wastewater Treatment Plant (“Woodland”). Required operator logs are kept by PWR and

¹ Company response to ORS’s Eleventh and Continuing Request for Books, Records, and Other Information Question 1 (“IR 11-1”)

1 general housekeeping items including system entry points, access roads and signage were
2 found to be satisfactory during the ORS visit. ORS also confirmed the recently constructed
3 assets including the Stoops Creek splitter box, liquid chlorination conversion and flood
4 controls were complete and used to provide service to customers. ORS reviewed
5 documentation related to the Piney Grove collection system replacement project and
6 verified the sewer line replacements are complete and in service to customers.

7 **Q. PLEASE EXPLAIN THE STATUS OF THE PERFORMANCE BOND FOR PWR.**

8 A. PWR has a current performance bond for sewer operations on file with the
9 Commission. The bond is a Surety Bond issued by Atlantic Specialty Insurance Company
10 in the amount of \$350,000. Based on the expenses from the Test Year and using the criteria
11 set forth in S.C. Code Ann. Regs. 103-512.3.1, ORS determined that the face amount of
12 PWR's bond should remain at \$350,000. ORS requests that the Commission continue to
13 require PWR to maintain its performance bond in the amount of \$350,000 as it is in the
14 public interest to maintain a bond that satisfies the criteria as set forth in S.C. Code Ann. §
15 58-5-720.

16 **Q. DID PWR RECEIVE ANY FINES OR VIOLATIONS FROM DHEC DURING THE**
17 **TEST YEAR?**

18 Yes, the table below provides a list of the violations noted by DHEC during the
19 Test Year.² In addition, PWR received a fine of \$2,800 in August 2020 (DHEC Consent
20 Order 20-023-W) for violations relating to Escherichia coli ("E. coli") which occurred in
21 October 2019 and January 2020.³ In response to ORS discovery, PWR stated the fine had

² Company response to IR 2-68

³ Company response to IR 2-67

1 been paid by Ni America Operating and had not been reflected in PWR's Test Year
2 expenses or included in the Application. ORS's Audit Department confirmed the fine was
3 not included in PWR's Test Year expenses.

Stoops Creek (SC0029483)		
Date of Notice	Deficiency	Description
1.31.20	Notice of Violation	E. coli exceeded effluent discharge limit for the January 2020 monthly monitoring period
12.10.20	Notice of Violation	Ammonia Nitrogen exceeded effluent discharge limit

4 **Operational Changes**

5 **Q. WHEN WAS PWR ACQUIRED BY A NEW OWNER?**

6 A. On September 14, 2020, SWWC announced that its wholly-owned subsidiary,
7 SCUS had acquired Ni South Carolina, LLC. (now Ni South Carolina, Inc.) the parent
8 company of PWR from Ni Pacolet Milliken Utilities, LLC. ("Ni Pacolet").

9 **Q. HAVE THERE BEEN ANY SIGNIFICANT OPERATIONAL CHANGES SINCE**
10 **PWR'S PARENT COMPANY, NI SOUTH CAROLINA, INC., WAS ACQUIRED**
11 **BY SOUTH CAROLINA UTILITY SYSTEMS, INC.?**

12 A. Yes. Prior to the acquisition, the PWR wastewater system was operated by a third-
13 party contractor under the terms and conditions of an Operations, Maintenance and
14 Management Agreement ("Operations Agreement") between ESG Operations, Inc.
15 ("ESG") and Ni Pacolet. After the acquisition, the Operations Agreement was cancelled

1 and SCUS hired a majority of the previous ESG employees as full time employees. In
2 response to ORS discovery, the Company stated the reason to cancel the contract was “to
3 allow the Company greater control over the utility’s assets and the customer experience.”⁴
4 The Company further stated that “utility management now has direct control over the
5 operations, and employees are more accountable as our utility employees than
6 subcontractor employees. With clear and consistent direction, we have witnessed
7 improved employee morale and engagement, which should result in reduced turnover over
8 time.”⁵

9 **Q. PLEASE IDENTIFY IF THE ACQUISITION OF PWR IMPACTED THE LEVEL**
10 **OF CUSTOMER SERVICE OR EFFICIENT UTILITY OPERATIONS?**

11 A. The acquisition closed in September 2020; therefore, PWR operated under the new
12 owner for approximately three (3) months of the Test Year. To-date it appears that PWR
13 maintained comparable customer service levels and operational efficiencies.

14 **Q DID ORS OR THE COMMISSION HAVE AN OPPORTUNITY TO REVIEW THE**
15 **LONG-TERM POTENTIAL IMPACTS TO CUSTOMERS AT THE TIME OF THE**
16 **ACQUISITION?**

17 A. No. The acquisition of PWR involved two unregulated holding companies and was
18 not subject to Commission approval. Therefore, the current general rate proceeding is the
19 first opportunity for ORS to review the potential long-term impacts of the acquisition on
20 customers and consider enhanced customer protections to financially insulate a regulated

⁴ Company response to IR 10-8

⁵ Company response to IR 10-9

public utility from its unregulated subsidiaries such that additional and undue risks are not imposed on the PWR customers. ORS witness David J. Garrett discusses in detail these recommended customer protections in his direct testimony.

Service Revenues

Q. PLEASE EXPLAIN THE TEST YEAR REVENUE AS CALCULATED BY ORS.

A. “The fundamental principle in determining rates is the matching principle. Unless there is a matching of costs and revenues, the test year is not a proper one for fixing just and reasonable rates. The inclusion of costs without matching revenues may produce excessive rates. The inclusion of revenues without matching costs may deny the utility reasonable rates. The relationship between costs and revenues for the test period used, whether historical or projected, and the validity of that relationship, constitutes one of the most vital steps in the determination of just and reasonable rates.”⁶ To reduce regulatory lag and consistent with ORS’s examination, ORS updated the expenses provided by PWR through August 31, 2021. In order to match revenues with changes in Company expenses, ORS calculated pro forma present and proposed revenue which relied on PWR data for the actual number of customers and equivalent residential customers (“ERCs”) by class as of the end of August 2021.⁷ The actual number of customers and ERCs as of the end of August 2021 by class are shown in Exhibit DPH-5.

Exhibit DPH-2 reflects PWR’s Test Year revenue, as adjusted and calculated by ORS, of \$3,693,555. This calculation includes miscellaneous revenue for PWR (*See*

⁶ Review of Utility Ratemaking Procedures; Report to the Iowa General Assembly; Iowa Utilities Board, January 2004; Section III, Page 6

⁷ Company response to IR 11-1

Exhibit DPH-4) and results in a total revenue adjustment of \$32,822, to reflect ORS's analysis using the customer billing determinates provided by the Company. This revenue adjustment is reflected in ORS Adjustments No. 1A through 1E. Exhibit DPH-2 details ORS's calculated rates and charges after ORS's proposed accounting and pro forma expense adjustments as reflected in ORS witness Seale's Exhibit CLS-2. The total ORS calculated pro forma revenue requirement after ORS adjustments is \$3,810,555. ORS calculates a monthly charge in the amount of \$39.13 for the residential, commercial, and multi-family rate classes and a monthly charge in the amount of \$29.20 for the mobile home rate class is required to produce the overall revenue requirement, which translates to a 3.18% rate increase.

Q. PLEASE EXPLAIN EXHIBIT DPH-3.

A. Exhibit DPH-3 illustrates ORS's calculation of the pro forma proposed revenue requirement reflecting the actual number of ERCs provided by PWR at the end of August 2021 and the Company's proposed monthly charge of \$43.12 for the residential, commercial, and multi-family rate classes and a monthly charge in the amount of \$32.18 for the mobile home rate class. This calculation demonstrates the revenue that the Company would experience should all of the Company's proposed increase be granted using the Company's actual number of customers at the end of August 2021. ORS calculated PWR's proposed increase at the Company's proposed rate would be \$4,196,994, or \$37,258 more than the pro forma proposed revenue shown in Exhibit B; Schedule B; page 1 of the Company's Application.

Increase in the Tampering Charge

Q. PLEASE RESPOND TO PWR'S REQUEST TO INCREASE THE TAMPERING CHARGE FROM A MAXIMUM OF \$250 TO A MAXIMUM OF \$500.

A. In Docket No. 2018-82-S, PWR proposed that it be permitted to impose a charge not to exceed \$250 per occurrence when a customer had tampered with or damaged the Company's facilities or equipment. In Order No. 2019-314, the Commission approved the addition of the tampering charge not to exceed \$250 to the Company's schedule of rates. The Commission approved similar language for other regulated water and wastewater utilities. *See, e.g.,* Order No. 2020-561 in Docket No. 2019-281-S and Order No. 2014-207 in Docket No. 2013-275-WS.

In this general rate case, the Company requested Commission approval to increase the maximum amount of its tampering charge from \$250 to \$500. ORS disagrees with the Company's statement in the Application that such a charge does not require cost justification. Contrary to the Company's statement, the Company did provide to ORS in response to ORS discovery a cost justification for the proposed increase to the charge.⁸ Please see Exhibit DPH-6. ORS determined the cost justification provided by the Company is reasonable and ORS does not object to the Company's request to establish a tampering charge not to exceed \$500.

Q. WILL YOU UPDATE YOUR DIRECT TESTIMONY BASED ON INFORMATION THAT BECOMES AVAILABLE?

⁸ Company response to IR 3-10

1 A. Yes. ORS reserves the right to revise its recommendations via supplemental
2 testimony should new information not previously provided by the Company, or other
3 sources become available.

4 **Q. DOES THIS CONCLUDE YOUR DIRECT TESTIMONY?**

5 A. Yes, it does.



ORS BUSINESS OFFICE COMPLIANCE REVIEW

Utility: Palmetto Wastewater Reclamation, Inc.
Inspector: Kyle Maurer, Daniel Hunnell, David Herpel
Office: 1710 Woodcreek Farms Rd., Elgin, SC
Utility Type: Wastewater
Date: September 2021
Company Representative: Adam Delk

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
1	All records and reports available for examination in accordance with Rule R.103-510.	X		
2	Complaint records maintained in accordance with R.103-516	X		
3	Utility's rates, its rules and regulations, and its up-to-date maps and plans available for public inspection in accordance with R.103-530.	X		
4	Established procedures to assure that every customer making a complaint is made aware that the utility is under the jurisdiction of the South Carolina Public Service Commission and that the customer has the right to register the complaint in accordance with R.103-530.	X		
5	Deposits charged within the limits established by R.103-531.	X		No deposits charged
6	Timely and accurate bills being rendered to customers in accordance with R.103-532.	X		
7	Bill forms in accordance with R.103-532.	X		
8	Adjustments of bills handled in accordance with R.103-533	X		
9	Policy for customer denial or discontinuance of service in accordance with R.103-535.	X		
10	Notices sent to customers prior to termination in accordance with Rule R.103-535.	X		
11	Notices filed with the Commission of any violation of PSC or DHEC rules which affect service provided to its customers in accordance with rule R.103-514-C.	X		

#	Compliance Regulation	In Compliance	Out of Compliance	Comments
12	Utility has adequate means (telephone, etc.) whereby each customer can contact the water and/or wastewater utility at all hours in case of emergency or unscheduled interruptions or service in accordance with R.103-530.	X		
13	Records maintained of any condition resulting in any interruption of service affecting its entire system or major division, including a statement of time, duration, and cause of such an interruption in accordance with R.103-514.	X		
14	Utility advised the Commission, in accordance with Rule 103-512 of the name, title, address and telephone number of the person who should be contacted in connection with general management duties, customer relations, engineering operations, emergencies during non-office hours.	X		
15	Company verified the maps on file with the Commission include all the service area of the company.	X		
16	Number of customers the company has as of August 31, 2021.	X		1,744 customers
17	Company has a current performance bond on file with the Commission. Amount of bond: \$350,000	X		
18	Utility maintains a documented Safety Program.	X		
19	Utility maintains a documented Emergency Response plan.	X		
20	Utility maintains a documented Preventative Maintenance plan.	X		
21	Utility submitted a current Annual Report.	X		
22	Utility is in compliance with Gross Receipts reporting and payment regulations.	X		



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: September 14, 2021
Inspector Name: Kyle Maurer, Daniel Hunnell, David Herpel
Docket Number: 2021-153-S
Utility Name: Palmetto Wastewater Reclamation, Inc. - Woodland Utilities
Utility Representative: Adam Delk
Number of Customers: 381 residential, multi-family, and commercial customers
System Type (collection, force main, lagoon, etc.): Collection, Force Main, Lagoon
Location of System: Lexington County
Location of Utility Office: 1710 Woodcreek Farms Rd., Elgin SC
Treatment Type: Collection and Biological Treatment System
Permit #: SC0029475,
Last SC DHEC Compliance Rating: Satisfactory with deficiencies
Frequency checked by WWTF Operator: Daily
Drinking Water Provider: City of Columbia

Inspection Results

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		Liquid chlorine
2	Other chemicals in use	X		Dechlorination.
3	Aerators present	X		6 aerators are used in lagoon.
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		1 lift station on WWTF system for Woodland
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		Service area is fully developed.

Additional Comments:

Lagoon system has one influent pipe.



ORS WASTEWATER SYSTEM INSPECTION REPORT

Inspection Overview

Date Inspected: September 14, 2021
Inspector Name: Kyle Maurer, Daniel Hunnell, David Herpel
Docket Number: 2021-153-S
Utility Name: Palmetto Wastewater Reclamation Inc. - Alpine Utilities
Utility Representative: Adam Delk
Number of Customers: 1,363 residential, multi-family, and commercial customers
System Type (collection, force main, lagoon, etc.): Collection, treatment, discharge to Stoops Creeks then to Saluda River
Location of System: Alpine - Richland & Lexington Counties
Location of Utility Office: 1710 Woodcreek Farms Rd., Elgin SC
Treatment Type: Biological
Permit #: SC0029483
Last SC DHEC Compliance Rating: Satisfactory
Frequency checked by WWTF Operator: Daily
Drinking Water Provider: City of Columbia

Inspection Results

	System Components Inspected	Compliance		Comments
		Yes	No	
1	Chlorinator	X		Liquid Chlorine used
2	Other chemicals in use	X		Dechlorination
3	Aerators present	X		12 aerators
4	Plant fenced and locked	X		
5	Warning Signs Visible	X		
6	Fence in good condition	X		
7	Dikes in good condition	X		
8	Odor non-existent or limited	X		
9	Grass mowed	X		
10	Duckweed/Algae acceptable	X		
11	Grease build-up acceptable	X		
12	Plant free of debris	X		
13	Effluent Color acceptable	X		
14	Lift Stations present	X		8 lift stations – 6 on collection system/2 at plant
15	Failure Warning System adequate	X		
16	Electric Wiring adequate	X		
17	System free of leaks	X		
18	System free of overflows	X		
19	Access road adequate	X		
20	Ability for service area to expand	X		

Additional Comments:

Office of Regulatory Staff

EXHIBIT DPH - 2

ORS Calculated Revenues

Palmetto Wastewater Reclamation, Inc.

Docket No. 2021-153-S

Calculated Total Company Test Year Revenue Overview

Customer Classification	Equivalent Residential Connection (ERC) ¹	Monthly Rate ²	Test Year Calculated Revenues
Residential	15,768	\$37.92	\$597,922
Residential - Mobile Home	624	\$28.30	\$17,659
Commercial	23,700	\$37.92	\$898,704
Multi-Family Units, Apartments, Condominiums, etc.	55,980	\$37.92	\$2,122,762
Sewer Service Revenue	96,072		\$3,637,047
Misc. Other Revenue			\$23,686
Total Company Sewer Operating Revenues			\$3,660,733

Calculated Total Company Test Year Revenue Using the Actual Number of ERCs as of 08/31/2021

Customer Classification	Equivalent Residential Connection (ERC) ³	Monthly Rate ²	ORS Calculated Revenues @ 08/31/2021	Increase (%)	Company Test Year Calculated Revenues	Adjustment
Residential	15,996	\$37.92	\$606,569	1.43%	\$597,922	\$8,647
Residential - Mobile Home	624	\$28.30	\$17,660	0.01%	\$17,659	\$1
Commercial	24,348	\$37.92	\$923,276	2.66%	\$898,704	\$24,572
Multi-Family Units, Apartments, Condominiums, etc.	55,968	\$37.92	\$2,122,307	-0.02%	\$2,122,762	-\$455
Sewer Service Revenue	96,936		\$3,669,812		\$3,637,047	\$32,765
Misc. Other Revenue			\$23,743		\$23,686	\$57
Total Sewer Operating Revenues			\$3,693,555		\$3,660,733	\$32,822

ORS Calculated Revenue PWR Total Company

Customer Classification	Equivalent Residential Connection (ERC) ³	Monthly Rate	ORS Calculated Revenues	Increase (%)	ORS Calculated Revenues @ 08/31/2021	Adjustment
Residential	15,996	\$39.13	\$625,979	3.18%	\$606,569	\$19,410
Residential - Mobile Home	624	\$29.20	\$18,221	3.18%	\$17,660	\$561
Commercial	24,348	\$39.13	\$952,636	3.18%	\$923,276	\$29,360
Multi-Family Units, Apartments, Condominiums, etc.	55,968	\$39.13	\$2,189,796	3.18%	\$2,122,307	\$67,489
	96,936		\$3,786,632		\$3,669,812	\$116,820
Misc. Other Revenue			\$23,923		\$23,743	\$180
Total Sewer Operating Revenues			\$3,810,555		\$3,693,555	\$117,000

Office of Regulatory Staff
Pro Forma Revenue @ Company Rates
Palmetto Wastewater Reclamation, Inc.
Docket No. 2021-153-S

EXHIBIT DPH -3

Calculated Total Company Test Year Revenue Overview

Customer Classification		Equivalent Residential Connection (ERC) ¹	Monthly Rate ²	Test Year Calculated Revenues
Residential		15,768	\$37.92	\$597,923
Residential - Mobile Home		624	\$28.30	\$17,659
Commercial		23,700	\$37.92	\$898,704
Multi-Family Units, Apartments, Condominiums, etc.		55,980	\$37.92	\$2,122,762
Sewer Service Revenue		96,072		\$3,637,048
Misc. Other Revenue				\$23,686
Total Company Sewer Operating Revenues				\$3,660,734

Calculated Total Company Proforma Revenue

Customer Classification		Equivalent Residential Connection (ERC) ³	Monthly Rate	PWR Calculated Proforma Revenues	Increase (%)	Company Test Year Calculated Revenues	Adjustment
Residential		15,768	\$43.12	\$679,958	13.72%	\$597,923	\$82,035
Residential - Mobile Home		624	\$32.18	\$20,082	13.72%	\$17,659	\$2,423
Commercial		23,700	\$43.12	\$1,022,006	13.72%	\$898,704	\$123,302
Multi-Family Units, Apartments, Condominiums, etc.		55,980	\$43.12	\$2,414,004	13.72%	\$2,122,762	\$291,243
Sewer Service Revenue		96,072		\$4,136,050		\$3,637,048	\$499,003
Misc. Other Revenue				\$23,686		\$23,686	\$0
Total Sewer Operating Revenues				\$4,159,736		\$3,660,734	\$499,003

ORS Calculated Revenue PWR Total Company Using the Number of ERC's as of 08/31/2021

Customer Classification		Equivalent Residential Connection (ERC) ³	Monthly Rate	ORS Calculated Revenues	Increase (%)	Company Test Year Calculated Revenues	Adjustment
Residential		15,996	\$43.12	\$689,789	1.43%	\$679,958	\$9,832
Residential - Mobile Home		624	\$32.18	\$20,082	0.00%	\$20,082	\$0
Commercial		24,348	\$43.12	\$1,049,950	2.66%	\$1,022,006	\$27,943
Multi-Family Units, Apartments, Condominiums, etc.		55,968	\$43.12	\$2,413,487	-0.02%	\$2,414,004	-\$517
		96,936		\$4,173,308		\$4,136,050	\$37,258
Misc. Other Revenue				\$23,686		\$23,686	\$0
Total Sewer Operating Revenues				\$4,196,994		\$4,159,736	\$37,258

1 Exhibit B; Schedule C of Company Application

2 Exhibit B; Schedule C of Company Application

3 Exhibit DPH-5

Office of Regulatory Staff
Miscellaneous Revenues
Palmetto Wastewater Reclamation, Inc.
Docket No. 2021-153-S

EXHIBIT DPH-4

ORS Calculated Total Company Test Year Revenue Using the Actual Number of ERCs as of 08/31/2021

Misc Revenue ¹	Per Books	After Increase	Increase Total
Late Fees	\$ 5,611	\$ 57	\$ 5,668
Notification Fees	12,025	-	12,025
New Account Processing Fees	2,640	-	2,640
Reconnect Fees	2,560	-	2,560
Returned Check Fees	850	-	850
Tap Fees (non-CIAC portion)	-	-	-
	\$ 23,686	\$ 57	\$ 23,743

ORS Calculated MISC Revenue PWR Total Company After ORS Adjustments

Misc Revenue ¹	Amount Using Actual ERC's @ 08/31/2021	After Increase	Increase Total
Late Fees	\$ 5,668	\$ 180	\$ 5,848
Notification Fees	12,025	-	12,025
New Account Processing Fees	2,640	-	2,640
Reconnect Fees	2,560	-	2,560
Returned Check Fees	850	-	850
Tap Fees (non-CIAC portion)	-	-	-
	\$ 23,743	\$ 180	\$ 23,923

¹ Information from Company Response to IR 3-8

Office of Regulatory Staff
Number of Customers and Number of ERC's
Palmetto Wastewater Reclamation, Inc.
Docket No. 2021-153-S

Line No.		Date	Number of Customers	ERC's	Annualized ERC's
1	Single Family Residential				
2		8/31/2021 ¹	1,329	1,333	15,996
3					
4	Residential - Mobile Home				
5		8/31/2021 ¹	6	52	624
6					
7	Commercial				
8		8/31/2021 ¹	258	2,029	24,348
9					
10	Multifamily Residential				
11		8/31/2021 ¹	151	4,664	55,968
12					
13	Total		1,744	8,078	96,936

¹ From Company Response to IR 11-1

Work Order # 78047

Print Cost Print HTML

78047

GO



LATERAL - REPAIR



Completed on 3/4/2020 847

Activate

W.O. Status: CLOSED
Date Created: 02/24/2020
Date Wanted: 02/24/2020
Assigned To: HISTORY
Problem: Clay pipe is broken under driveway. Needs to be fixed ASAP. It's 3ft deep. Locates are already on the ground from elder valve install.

Work Information Job Cost Details Attachments

Labor Details

No labor details exists on this work order. - 7/7/2021 10:28:57 AM

Material Details

No equipment details exist on this work order. - 7/7/2021 10:28:57 AM

Equipment Details

No equipment details exist on this work order. - 7/7/2021 10:28:57 AM

Journal Entry Details

No Journal Entries exist on this work order. - 7/7/2021 10:28:57 AM

Contractor Details

No contractor details exist on this work order. - 7/7/2021 10:28:57 AM

Summary

	Lbr Ovhd Cost	Lbr Cost	Eqp. Cost	Mat. Cost	Other Ovhd. Cost	St. Cut	J.E. Cost	CNTR Cost	Total Cost
Units: 1 Multi.: 1 Dist.: 1	\$0.00	\$208.00	\$242.08	\$7.92	\$0.00	\$0.00	\$0.00	\$0.00	\$458.00
Total	\$0.00	\$208.00	\$242.08	\$7.92	\$0.00	\$0.00	\$0.00	\$0.00	\$458.00
Percent:	0%	45.41%	52.86%	1.73%	0%	0%	0%	0%	100%